



# Iowa Department of Human Services

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## INFORMATIONAL LETTER NO.1189

**DATE:** November 26, 2012

**TO:** All Iowa Medicaid Hospice Agencies

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**SUBJECT:** Annual Update of Hospice Rates – Revised  
**Updated Information Shown as Highlighted Below**

**EFFECTIVE:** October 1, 2012

### Medicaid Hospice Rates

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment. The Centers for Medicare & Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the following four levels of care:

<b>Medicaid Hospice Rates Effective October 1, 2012 – September 30, 2013</b>				
<b>Revenue Code</b>	<b>Description</b>	<b>Daily Rate</b>	<b>Wage Component Subject to Index</b>	<b>Unweighted Amount</b>
651	Routine Home Care	\$153.65	\$105.57	\$48.08
652	Continuous Home Care	\$895.91 (full rate = 24 hours of care/\$37.33 hourly rate)	\$615.58	\$280.33
655	Inpatient Respite Care	\$167.07	\$90.44	\$76.63
656	General Inpatient Care	\$682.59	\$436.93	\$245.66

The Medicaid hospice payment rates shown above are effective **October 1, 2012, through September 30, 2013**. These daily hospice rates are base rates. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels.

**Wage Indexes**

Annual updates to the hospice wage indices were published in the Federal Register (Volume 77, Number 145) on July 27, 2012. The published wage indices are based on the most current available wage data as well as changes implemented by the Office of Management & Budget (OMB) to the definitions of Metropolitan Statistical Areas (MSAs), which are superceded by Core Based Statistical Areas (CBSAs). For Federal Fiscal Year 2013, the full CBSA-based wage index values have been used.

**Room & Board Payments**

The room and board payment for hospice residents residing in nursing facilities is ninety-five percent (95%) of the associated nursing facility's base rate.

**Additional Information**

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909 or locally at 515-256-4609.